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DE RUCNDT #0908/01 1232040  
ZNR UUUUU ZZH  
P 032040Z MAY 06  
FM USMISSION USUN NEW YORK  
TO RUEHC/SECSTATE WASHDC PRIORITY 8902  
INFO RUEHXX/GENEVA IO MISSIONS COLLECTIVE PRIORITY

UNCLAS USUN NEW YORK 000908

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E.O. 12958: N/A  
TAGS: [AORC](#) [KUNR](#) [UNGA](#)  
SUBJECT: UN REFORM: G-77 WINS FIFTH COMMITTEE VOTE IN  
SHOWDOWN OVER MANAGEMENT REFORM MEASURES

¶1. SUMMARY/COMMENT: The Fifth Committee, meeting in formal session April 28, voted 108 to 50, with 3 abstentions, to support adoption of a draft resolution introduced April 21 by the G-77 and China that attempts to impeded ongoing Secretary-General efforts to pursue management reform in the

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UN. The U.S., joined by 49 other states who collectively are assessed 86.692 per cent of the regular UN budget, opposed adoption of the draft text. The language in the G-77 resolution (A/C.5/60/L.37; available on [www.ods.un.org](http://www.ods.un.org)) provides no positive expressions of support for management improvements or for the SYG's initiatives. By repeatedly reaffirming the existing rules, regulations, and resolutions on budget and administration, the text sends a clear signal that new approaches cannot be considered, thus denying the UN the ability to benefit from modern management practices. The discretion of the SYG and other UN officials to ensure fairness of treatment is effectively removed, and proposed efficiencies are stymied. The SYG's proposals to achieve greater transparency are watered down to suggestions on ways to disseminate information that already is widely available. The text repeatedly reaffirms and reasserts the primacy of the General Assembly in deciding on all aspects of the UN's management and administration, thereby signaling that the SYG has limited flexibility to manage the Organization.

¶2. SUMMARY/COMMENT (continued): Perhaps most importantly, the Fifth Committee's April 28th vote contravenes a long-standing Committee practice, established in Resolution 41/213 (1986), to seek the "broadest possible agreement" for Committee decisions on budgetary matters. The G-77's insistence on bringing its draft resolution before the Fifth Committee absent consensus may be indicative of more contentious times ahead as Members begin to consider whether to grant the UN additional spending authority beyond the \$950 million approved in December 2005 (A/60/246). It appears the G-77 is preparing to face down those linking progress on UN reform to the provision of finances needed to run the UN.  
END SUMMARY/COMMENT.

RUN-UP TO THE VOTE

¶2. After several weeks of lengthy and contentious negotiations in the Fifth Committee that began April 12 on a coordinator's draft resolution incorporating language proposals from all delegations dealing with the Secretary-General's March 7 report (A/60/692), the Group of

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77 and China provoked a crisis April 19 by introducing its own draft resolution (A/C.5/60/L.37) that took issue with several key SYG proposals on UN efficiency, the future role of the Deputy Secretary-General, and governance issues. The Group's proposal modified or eliminated more positive

language proposed by the U.S., EU, and others. Repeated EU, Japanese, CANZ, and U.S. attempts to resume consideration of the coordinator's draft were rejected by the South African delegate representing the G-77, who insisted on negotiations based solely on the Group's text. The Group's threats to put its text before the Fifth Committee for formal adoption, despite the absence of consensus, prompted renewed negotiations April 26. While several minimal language changes to the G-77 text were achieved, consensus on the SYG's proposals concerning improved efficiency in budget planning and implementation (Proposal #16), improved interaction between the Secretariat and Member States (Proposal #20), and reform of key governance structures (Proposal #21), could not be reached. In addition, paragraphs elsewhere in the G-77 text would have the effect of postponing the Secretary-General's initiatives to pursue outsourcing and install a freedom of information regime in the UN. Also of concern was a paragraph calling on the Secretary-General to present proposals for increasing the

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representation of "developing countries" in the staff of the UN.

¶3. Tensions were raised further on April 26, when Ambassador Kumalo of South Africa made the following points in a press conference at the UN:

-- just because the U.S., UK and Japan pay more money than other member states, the UN is not a private corporation in which they are entitled to a greater say;

-- the spending cap imposed during the December 2005 debate over the budget is a sword hanging over us right now that we (i.e., the G-77) will fight;

-- the UK, EU and U.S. are the ones putting this Organization in a crisis, but they are trying to blame the crisis on us. Just because they have more money, they are trying to force us to give up our rights as UN members, or they will withhold money;

-- we are not opposed to reform, but the UN is not based on who has money and who does not. It's like a shake-down;

-- we haven't called for a vote; we've called for consensus. It's up to those who don't want to lend consensus to tell us what they want;

-- we are being forced to give up our rights under the Charter, or face not having an Organization.

¶4. On April 27, G-77 Ambassador Kumalo introduced his Group's text (A/C.5/60/L.37/Rev.1) in a formal meeting of the Fifth Committee, seeking the Committee adoption without a vote in accordance with the rules of procedures of the General Assembly. Ambassador Bolton, Austrian PermRep Pfanzer (on behalf of the EU), Japanese Ambassador Ozawa, and New Zealand PermRep Banks (on behalf of CANZ) all protested that the G-77 text did not enjoy consensus support.

Ambassador Pfanzer, speaking on behalf of the EU, indicated that 46 countries, including the U.S., Japan, and CANZ, had endorsed a letter addressed to GA President Eliasson (full text - see para 11) underscoring that the G-77 draft resolution lacked consensus and expressing a readiness to work to achieve a mutually agreeable text.

¶5. Also on April 27, the Secretary-General sent a letter to GA President Eliasson (full text - see para 12) suggesting that the proposals on improving interaction between the Secretariat and Member States (Proposal #20) and reforming

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governance structures (Proposal #21) be "set aside" to facilitate agreement on other elements of the draft resolution. The SYG's proposal prompted renewed discussion

among Fifth Committee members during the evening of April 27 much of the day on April 28. Despite this major concession from the Secretary-General, the G-77 was still not willing to back away from its position. Instead, Ambassador Kumalo provoked additional objections when he proposed language to prohibit any possible mention or consideration of governance proposals in any future document or UN forum, effectively rejecting the SYG's efforts at compromise.

#### THE VOTE

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¶6. EU Chair Pfnanzelter and G-77 Chair Kumalo engaged without success in last-minute informal negotiations throughout the day on April 28 in an attempt to reach consensus. Early in the evening, when it became apparent that language agreeable to all parties, including the U.S., could not be finalized, Kumalo reiterated his request, first pronounced April 26, for Fifth Committee adoption by consensus of the draft G-77 text.

EU Chair Pfnanzelter, supported by the U.S., Japan, CANZ, and other signatories of the EU letter to GA President Eliasson, requested a recorded vote. The result: 108 members voted to adopt the G-77 draft resolution; 3 states abstained (Armenia, Norway, Uganda); and, 50 states opposed (U.S., Japan, Germany, UK, France, Italy, Canada, Spain, Republic of Korea, Netherlands, Australia, Switzerland, Belgium, Sweden, Austria, Denmark, Finland, Greece, Portugal, Israel, Poland, Turkey, Ireland, New Zealand, Czech Republic, Hungary, Slovenia, Luxembourg, Romania, Slovakia, Cyprus, Ukraine, Croatia, Iceland, Lithuania, Serbia and Montenegro, Bulgaria, Latvia, Malta, Estonia, Former Yugoslav Republic of Macedonia, Albania, Andorra, Liechtenstein, Bosnia and Herzegovina, Georgia, Monaco, San Marino, Palau, and Republic of Moldova).

¶7. Ambassador Bolton gave an explanation of the U.S. position (full text in para. 13) before the vote, as did many other speakers. Bolton voiced respect for the tenacity with which the Group of 77 and China argued their position. Bolton also said he respected the good faith in which the parties conducted negotiations in an effort to reach consensus, as well as the fact that G-77 members stuck to their position. However, he also noted that, "absent top-to-bottom management reform, the United Nations will continue to be ill-equipped to meet the current demands that we, as Member States, place upon the Organization." The United States, he said, was committed to pursuing necessary management reforms to ensure that the United Nations remains an effective, efficient, transparent and accountable Organization. Ambassador Bolton then read the text of the letter sent April 27 to GA President Eliasson and listed the names of the 46 states that had signed it. Bolton further indicated the U.S. would vote against the G-77 text.

¶8. Austrian PermRep Pfnanzelter, on behalf of the EU, expressed regret that his last-minute negotiations with G-77 Chair Kumalo had failed to produce an acceptable text. Pfnanzelter voiced concern that the long-standing tradition of the Fifth Committee to act on consensus documents was being

violated. Pfnanzelter said he stood ready to continue discussions in an attempt to bridge existing differences, but that "it's unfortunate this is not acceptable for the G-77. We deplore that." Japanese PermRep Oshima also expressed concerns that the consensus principle was being violated. Oshima said there were no winners in the vote, "and if there are losers, it is reform of the Organization. It (the vote) is likely to be interpreted as rejection, or at best deferral, of these necessary reforms." Speakers from the UK, New Zealand, Germany, Belgium, Slovakia, and the Netherlands echoed similar themes, including expressions of concern that the debate had become so polarized.

¶9. Following the vote, G-77 Chair Kumalo reiterated his Group's support for UN reform and for making the UN a better Organization, but only through an inclusive approach that involved all members. "We in the Group of 77 and China

believe in the right of every Member State to have an equal say in the decision-making of this Organization ... This right for us is not dependent on the financial contributions of Member States to the budget of the Organization." That was why the Group had been so vocal in seeking to protect the nature of the Organization, particularly the oversight role of the General Assembly. Brazilian PermRep Sardenberg said his government remained committed to management reform that would improve the UN's performance in areas including development, peace, security, and human rights. Egyptian PermRep Abdelaziz said the goal of all delegations should be to create a more credible, efficient and effective United Nations. He said that Member States needed to work constructively and in cooperation with others, regardless of their level of development and regardless of how much they contributed to the Organization.

#### NEXT STEPS

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¶10. The resolution adopted by the Fifth Committee on April 28 now will be sent to the General Assembly for its consideration and final action. The GA President's Office has advised USUN privately that no action is contemplated until after PGA Eliasson returns to New York, likely the week of May 8.

#### LETTER TO GA PRESIDENT

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¶11. Text of April 27, 2006 Letter Sent by 46 Signatory Countries to GA President Eliasson:

Begin text:

Excellency,

We wish to bring to your attention an urgent problem that has arisen in the context of management reform. You are well aware of the background to our negotiations on the Secretary-General's report, "Investing in the United Nations:

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for a stronger Organization worldwide," and the difficult path they have pursued. You know the depth of feeling on the issues and the many efforts that have been made to find agreement.

There is now a resolution tabled by the Group of 77 and China in the Fifth Committee which the Group of 77 and China believes could be the basis for consensus. We have to underline that this draft resolution is not acceptable to us.

By convention, those who propose resolutions in the Fifth Committee do so when they believe conditions for adoption without dispute have been established. This is not the case now.

We stand ready to work for true consensus on a mutually agreeable text. We are prepared to conclude our discussions in the Fifth Committee by reporting back to you that we were unable to reach a consensus. Forcing a decision on a non-consensual resolution would trigger a vote. This would leave us no alternative but to vote against the Group of 77 and China draft resolution. We are concerned that a vote under these circumstances could entail consideration disadvantages for the United Nations, for this proposal and for the budget process.

Therefore, we hope that you could continue to assist us in taking this forward in a way which permits us to find consensus on this important issue.

(Signatories - Permanent Representatives of: Albania, Andorra, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Liechtenstein,

Lithuania, Luxembourg, Malta, Monaco, Netherlands, New Zealand, Poland, Portugal, Republic of Korea, Romania, San Marino, Serbia and Montenegro, Slovakia, Slovenia, Spain, Sweden, Switzerland, Former Yugoslav Republic of Macedonia, Turkey, UK, U.S.)

End text.

SECRETARY-GENERAL'S LETTER TO FIFTH COMMITTEE CHAIRMAN

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¶12. Text of April 27, 2006 Letter from SYG Annan to Fifth Committee Chair Ashe:

Begin text:

Dear Mr. Chairman,

Over the last several days, I had the opportunity to discuss with Member States my report on "Investing in the United Nations: for a stronger Organization worldwide."

It is apparent that there are some concerns related to proposals 20 and 21. While my sole purpose was to propose more efficient working methods for the intergovernmental process, I recognize that these two proposals have provoked concern and resistance.

Certainly they should not be allowed to stand in the way of consensus or lead to a departure from the valuable and well-established practice of avoiding divisive votes on budgetary matters. Neither should they be an impediment to achieving progress on other aspects of reform. Accordingly, the Committee may wish to set aside proposals 20 and 21.

With this contentious issue set aside, I would urge the Committee to proceed quickly to an agreed resolution adopted by consensus that allows the programme of work on the management reforms to continue without delay.

Please accept, Mr. Chairman, the assurances of my highest consideration.

Kofi A. Annan

End text.

U.S. EXPLANATION OF VOTE

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¶13. Text of Ambassador Bolton's April 28 remarks:

Begin text:

Thank you, Mr. Chairman.

First, I would like to say, on behalf of the United States, that even though we disagreed with the L.37 text, that we respect the position taken by the G-77 and China. We respect the tenacity with which they argued for their position. We respect the good faith in which they conducted negotiations in an effort to reach consensus. And we respect the fact that they stuck to their position. It is an honorable thing to do.

Mr. Chairman, during the course of our discussions this week, a number of countries drafted a letter to the President of the General Assembly, Ambassador Eliasson. I would like to read that letter, dated April 27:

Excellency,

We wish to bring to your attention an urgent problem that has arisen in the context of management and reform. You are well aware of the background to our negotiation on the

Secretary-General's report, "Investing in the United Nations:

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for a stronger Organization worldwide," and the difficult path they have pursued. You know the depth of the feeling of the issues and the many efforts that have been made to find agreement.

There is now a resolution tabled by the Group of 77 and China in the Fifth Committee, which the Group of 77 and China believes could be the basis for consensus. We have to underline that this draft resolution is not acceptable to us.

By convention, those who propose resolutions in the Fifth Committee do so when they believe conditions for adoption without dispute have been established. That is not the case now.

We stand ready to work for true consensus on a mutually agreeable text. We are prepared to conclude our discussions

in the Fifth Committee by reporting back to you that we were unable to reach a consensus. Forcing a decision on a non-consensual resolution would trigger a vote. This would leave us no alternative but to vote against the Group of 77 and China's draft resolution.

We are concerned that a vote under these circumstances could entail considerable disadvantages for the United Nations, for this proposal and for the budget process. Therefore, we hope that you could continue to assist us in taking this forward in a way which permits us to find consensus on this important issue.

The letter, Mr. Chairman, was signed by the representatives of the following governments:

Albania, Andorra, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, the Netherlands, New Zealand, Poland, Portugal, Republic of Korea, Romania, San Marino, Serbia and Montenegro, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, the Former Yugoslav Republic of Macedonia, Turkey, the United Kingdom, and the United States.

Mr. Chairman, absent top to bottom management reform, the United Nations will continue to be ill-equipped to meet the current demands that we, as Member States, place upon the Organization. The United States is committed to pursuing necessary management reforms to ensure that the United Nations remains an effective, efficient, transparent, and accountable Organization. As such, the United States is joined by many other states in voting "no" against the resolution tabled by the Group of 77 and China.

Thank you, Mr. Chairman.

End text.

BOLTON